

STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No. 6466

Petition of Americatel Corporation d/b/a 10 123)
Americatel and d/b/a 1010 123 Americatel for)
Approval of a Transfer of Control)

Order entered: 2/7/2001

I. INTRODUCTION

This case involves a petition filed on January 24, 2001, by Americatel Corporation d/b/a 10 123 Americatel and d/b/a 1010 123 Americatel ("Americatel" or "Petitioner"), seeking Vermont Public Service Board ("Board") approval, under 30 V.S.A. § 107, of a transaction under which Americatel's parent company, ENTEL-Chile, will be acquired through the acquisition of a majority of shares by Stet International Netherlands N.V., resulting in an indirect transfer of control of Americatel.

On January 26, 2001, the Vermont Department of Public Service ("Department") submitted a letter to the Board indicating that the Department had no objection to the transfer of control of Americatel. The Department noted that Americatel currently has no customers in Vermont, and therefore, the transaction would be transparent to Vermont consumers. Further, the Department also had no objection to the issuance of an order without hearing or further investigation, as provided under 30 V.S.A. § 107.

II. FINDINGS OF FACT

Based upon the petition and accompanying documents, the Board makes the following findings of fact.

1. Americatel is a Delaware corporation authorized by the Board to provide telecommunications service in Vermont. A Certificate of Public Good (CPG No. 390) was issued to Americatel on April 29, 1998. Petition at 1.
2. Americatel is a subsidiary of Entel B.V.I, which is owned by ENTEL-Chile. The proposed indirect transfer of control will result from the acquisition of a majority of shares

(54.76%) of ENTEL-Chile by Stet International Netherlands N.V. The acquisition will have the effect of transferring the majority organization control of ENTEL-Chile, the indirect parent company of Americatel, to Stet International Netherlands N.V. Petition at Attachment I-4.

3. Following completion of the transaction, Americatel will continue to operate in all respects as it currently operates, pursuant to present operating authority. Neither the name of nor the terms and conditions of service offered by Americatel will be affected by the transaction. Accordingly, the transaction should not inconvenience customers within the State of Vermont. Petition at 3.

4. Completion of the proposed transaction will serve the public interest in that it will promote competition among telecommunications providers by providing Americatel with the opportunity to strengthen its respective competitive position and to pursue its marketing and business plans more effectively. Petition at Attachment I-6.

III. CONCLUSIONS OF LAW AND DISCUSSION

The proposed transaction requires Board approval under 30 V.S.A. § 107, which applies to a direct or indirect acquisition of a controlling interest in a Vermont utility.¹ Under Section 107, a "controlling interest" is defined as 10% or more of the outstanding voting securities of a company. Section 107 requires a finding that the transfer of control will promote the public good. This standard is met in this case. The proposed transaction will promote the public good, because the indirect transfer of control of Americatel will allow the Petitioner and its parent companies to operate in a more flexible manner. In the competitive arena of telecommunications, the overall effect of this transfer may promote more customer choice in terms of services, with stronger competitors in the Vermont telecommunications market. It should also be noted that the transfer of control will not have an adverse impact on Vermont consumers as Americatel currently has no customers in Vermont and will continue to operate according to its present authority.

For all of the above reasons, the proposed indirect transfer of control of Americatel should be approved.

1. Approval under 30 V.S.A. §§ 231 and 311 is not required because the current holder of the Certificate of Public Good, Americatel, will continue to be the entity providing telecommunications service in Vermont.

IV. ORDER

IT IS HEREBY ORDERED, ADJUDGED AND DECREED by the Public Service Board of the State of Vermont that:

1. The indirect transfer of control of Americatel Corporation d/b/a 10 123 Amerciatel and d/b/a 1010123 Americatel, is approved.
2. Petitioner shall notify the Board, within one week, upon completion of the transfer of control.

DATED at Montpelier, Vermont, this 7th day of February, 2001.

<u>s/Michael H. Dworkin</u>)	
)	PUBLIC SERVICE
)	
<u>s/David C. Coen</u>)	BOARD
)	
)	OF VERMONT
<u>s/John D. Burke</u>)	

OFFICE OF THE CLERK

Filed: February 7, 2001

Attest: s/Susan M. Hudson

Clerk of the Board

NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board (by e-mail, telephone, or in writing) of any technical errors, in order that any necessary corrections may be made. (E-mail address: Clerk@psb.state.vt.us).

Appeal of this decision to the Supreme Court of Vermont must be filed with the Clerk of the Board within thirty days. Appeal will not stay the effect of this Order, absent further Order by this Board or appropriate action by the Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Clerk of the Board within ten days of the date of this decision and order.

